



Memo

Date: February 13, 2025

To: Members of the State Coastal Conservancy

From: Amy Hutzal, Executive Officer

CC: Legislative Oversight Members

Subject: 2024 Climate Bond and Conservancy's Role in Climate Adaptation

Last November, California voters approved the 2024 Climate Bond (Proposition 4). This memo summarizes the Coastal Conservancy's funding allocations and the language in the Bond. At the February 13 Board meeting, staff will discuss how the 2024 Climate Bond funding will support the Coastal Conservancy's adopted Strategic Plan goals, and specifically the Conservancy's work to support coastal resilience and adaptation over the next decade.

The 2024 Climate Bond authorizes a total of \$10 billion to increase climate resilience in California mainly in the areas of water, wildfire, natural resources, shoreline areas, and parks, with \$948.5 allocated to the Conservancy as follows:

PROGRAM	AMOUNT
Coastal resilience projects and programs, including, but not limited to, grants and expenditures to protect, restore, and increase the resilience of beaches, bays, coastal dunes, wetlands, coastal forests, watersheds, trails, and public access facilities.	\$415,000,000 (at least \$85,000,000 of that for the San Francisco Bay Area Program)
Coastal and combined flood management projects and activities for developed shoreline areas, including areas with critical community infrastructure, including, but not limited to, transportation and port infrastructure at risk of current flooding and flooding due to sea level rise.	\$350,000,000
Removal of outdated or obsolete dams and for related water infrastructure	\$75,000,000
Watershed improvement, wildfire resilience, chaparral and forest restoration, and workforce development	\$33,500,000
Coyote Valley Conservation Program, County of Santa Clara	\$25,000,000
West Coyote Hills Program	\$25,000,000
Santa Ana River Conservancy Program	\$25,000,000

The \$415 million of “Coastal Resilience” funding is provided “for projects identified by the State Coastal Conservancy for coastal resilience projects and programs, including, but not limited to, grants and expenditures to protect, restore, and increase the resilience of beaches, bays, coastal dunes, wetlands, coastal forests, watersheds, trails, and public access facilities. The funds may be allocated to any of the following:

- (1) Grants through the Climate Ready Program...
- (2) Projects to protect coastal lands and restore habitats, including subtidal habitats, wetlands, riparian areas, redwood forests, grasslands, oak woodlands, and other important wildlife habitats, including projects to protect and restore healthy sea otter populations.
- (3) Natural infrastructure projects that use existing natural areas to minimize coastal flooding, erosion, and runoff.
- (4) Projects to restore coastal land for public uses on surplus land for formerly fossil-fueled powerplants.
- (5) Projects for purposes of the San Francisco Bay Area Conservancy Program...
- (6) Lower cost coastal accommodation grants consistent with the Lower Cost Coastal Accommodations Program...
- (7) Projects that are consistent with the San Francisco Bay Restoration Authority Act...”

\$85 million of the \$415 million “Coastal Resilience” funding is specifically intended for projects consistent with the San Francisco Bay Restoration Authority or the San Francisco Bay Area Conservancy Program, “including, but not limited to, projects that address sea level rise, flood management, and wetland restoration.”

The \$350 million of “Coastal and Combined Flood Management” has a stated purpose “of coastal and combined flood management projects and activities for developed shoreline areas, including areas with critical community infrastructure, including, but not limited to, transportation and port infrastructure at risk of current flooding and flooding due to sea level rise. Funds shall be allocated to multiple-benefit projects that improve public safety, including shoreline resilience projects designed to address flooding, sea level rise, and shoreline stability that include engineering with nature or nature-based features. These funds shall be available to local agencies as matching funds for federally funded coastal flood risk management and flood risk management projects.”

The \$75 million of “Dam Removal” funding is “for grants or expenditures to remove outdated or obsolete dams and for related water infrastructure. Projects may also increase climate resilience, enhance sediment supply, improve wildlife and fish passage, and modernize related water infrastructure, including related planning, monitoring, permitting, habitat restoration, and recreational improvements.” The Conservancy’s highest priority dam removal project is Matilija Dam in Ventura County.

The \$33.5 million for “Watershed Improvement and Wildfire Resilience” is intended “for wildfire prevention, including reducing community wildfire risk and restoring the health and resilience of forests and landscapes” and the Conservancy’s funding is a portion of funds “for projects and grants to improve local fire prevention capacity, improve forest health and resilience, and reduce the risk of wildfire spreading into populated areas from wildlands. Where appropriate, projects

may include activities on lands owned by the United States.” The Conservancy’s funding is specifically “for watershed improvement, wildfire resilience, chaparral and forest restoration, and workforce development that addresses needs related to this subdivision and is designed to create career pathways for individuals from disadvantaged communities, severely disadvantaged communities, or vulnerable populations.”

The \$25 million allocated to each the “Santa Ana River Conservancy”, “Coyote Valley Conservation Program”, and “West Coyote Hills” programs are for “projects that protect and restore rivers, wetlands, streams, lakes, and watersheds, and improve the resilience of fish and wildlife.” In addition to having those purposes, projects must improve climate resilience, water supplies, or water quality.

At least 40% of bond funds overall must be spent on projects that provide “meaningful and direct benefits” to disadvantaged communities or vulnerable populations and 10% must be spent on projects that provide “meaningful and direct benefits” to severely disadvantaged communities.

A portion of the Conservancy’s 2024 Climate Bond funding will become available with passage of the Fiscal Year 2025-26 State Budget, with remaining funds appropriated in future fiscal years. The Governor’s proposed budget includes the following amounts for the Conservancy’s programs:

PROGRAM	AMOUNT
Coastal Resilience	\$30,835,000
Coastal Resilience: San Francisco Bay Area	\$20,000,000
Coastal and Combined Flood Management	\$32,825,000
Santa Ana River Conservancy	\$10,000,000
Dam Removal	\$8,500,000
Watershed Improvement and Wildfire Resilience	\$5,165,000
Coyote Valley	\$3,000,000